

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 140084

63

ORIGIN EB-11

INFO OCT-01 EA-07 ADP-00 CEA-01 CIAE-00 COME-00 DODE-00

FRB-01 H-01 INR-10 INT-01 L-03 LAB-02 NSAE-00 NSC-04

PA-02 RSC-01 AID-07 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 USIA-12 PRS-01 OMB-01 /087 R

DRAFTED BY EB/ISM: WPOLIK:RDM

7/13/73 EXT. 21705

APPROVED BY EB/ICD:JBKYLE

EB/ISM:JCCURRAN

EA/ROK:RFINCH

COMMERCE:BCABP:GCOOK

----- 111280

R 172025Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL

LIMITED OFFICIAL USE STATE 140084

E.O. 11652: N/A

TAGS: EIND, ETRD, KS

SUBJECT: US FERROUS SCRAP EXPORTS

REF: A. STATE 135099

B. SEOUL 6611

1. KOREAN EMBASSY ECONMIN CHUNG MET JULY 11 WITH DEPUTY ASST SECY COMMERCE COOK ON FERROUS SCRAP, AND LEFT FOLLOWING AIDE MEMOIRE (UNNECESSARY WORDS DELETED):

2. BEGIN QUOTE. USG JULY 2 ANNOUNCEMENT ON EXPORT CONTROL OF FERROUS SCRAP VIEWED WITH SURPRISE AND CONCERN BY ROKG AND BUSINESS COMMUNITY.

3. KOREAN FERROUS SCRAP NEEDS PROJECTED AT 1,270,000 TONS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 140084

FOR CURRENT YEAR. OF THIS, 931,000 TONS (87 PERCENT OF

TOTAL IMPORT DEMAND OF 1,070,000 TONS) IS PROGRAMMED FOR IMPORT FROM US. SINCE KOREA IMPORTED 339,000 TONS FROM US DURING FIRST HALF CY1973, KOREA NEEDS IMPORT AN ADDITIONAL 592,000 TONS FROM US DURING REST OF 1973.

4. AS SHOWN ABOVE, COMPARATIVELY SPEAKING, THE ABSOLUTE DEMAND IS SMALL, AND ITS SHARE IN TOTAL US SCRAP EXPORTS ALSO SMALL. BUT, AS IN ANY OTHER COUNTRY, KOREA'S STEEL INDUSTRY DEPENDS SUBSTANTIALLY ON FERROUS SCRAP IMPORTS. AND BECAUSE KOREA IS IN INCIPIENT STAGE OF ECONOMIC DEVE-

LOPMENT, NECESSITY OF THIS IMPORT IS GREAT PROPORTIONATELY.

5. KOREA CURRENTLY ENGAGED IN CONSTRUCTION OF SUBWAY SYSTEMS IN SEOUL, HARBOR CONSTRUCTION IN ULSAN AND POHANG, DOCK FACILITIES IN INCHON, AND OTHER INDUSTRIES REQUIRING FERROUS SCRAP, SUCH AS HOUSING, AUTOMOBILES, SHIP-BUILDING, ETC. IN A WORD, KOREA WILL BE ADVERSELY AFFECTED BY USG CONTROL MEASURE.

6. ROKG WISHES TO EXPLORE POSSIBILITY OF HAVING THIS LICENSING SYSTEM REMOVED, AT LEAST FOR SMALL IMPORTING NATIONS SUCH AS KOREA. IT IS HOPED THAT THE VIEW AND POSITION OF ROKG CONCERNING THIS MATTER WILL BE GIVEN EVERY CONSIDERATION BY USG. END TEXT.

7. IN REPLY TO COOK'S QUESTION, CHUNG SAID HE UNSURE WHETHER FIGURES IN AIDE MEMOIRE WERE METRIC OR NET TONS, BUT PROMISED CLARIFY THIS POINT.

8. COOK NOTED COMMERCE DEPT DATA SHOWING JAN-JUNE 1973 EXPORTS 339,000 NET TONS SCRAP TO KOREA, PLUS 220,000 TONS KOREAN ORDERS (AS OF JUNE 17) FOR SHIPMENT JULY-DEC 1973. IN ADDITION, JAPANESE ORDERS FOR JULY-DEC SHIPMENT INCLUDED 500,000 TONS PURCHASED BY JAPANESE TRADING COMPANIES FOR SHIPMENT TO OTHER COUNTRIES, PRINCIPALLY TAIWAN AND KOREA. CHUNG AGREED THAT IF SUBSTANTIAL PART THESE 500,000 TONS ORDERED FOR SHIPMENT TO KOREAN BUYERS, IMPACT OF US FERROUS SCRAP LICENSING ON KOREA WOULD BE RELATIVELY MINOR. HOWEVER, CHUNG SAID HE HAD NO INFORMATION LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 140084

ON AMOUNT SCRAP JAPANESE TRADING COMPANIES PURCHASING FOR KOREA. HE ADDED HE WOULD TRY OBTAIN THIS INFORMATION FROM SEOUL.

9. COOK ALSO NOTED THAT ROKG MINISTRY OF COMMERCE AND INDUSTRY ESTIMATED TO EMBASSY SEOUL IN MARCH 1973 THAT CY1973 SCRAP IMPORTS FROM US WOULD BE APPROX 730,000 METRIC TONS (REPORTED REF B), AND ASKED CHUNG RE APPARENT

DIFFERENCES THIS ESTIMATE WITH FIGURE USED IN AIDE
MEMOIRE (ASSUMING LATTER FIGURE ALSO IN METRIC TONS).
CHUNG SAID HE UNABLE PROVIDE ANY INFORMATION THIS POINT.

10. EMBASSY REQUESTED TO CLARIFY WHETHER FIGURES USED IN
ROKG AIDE MEMOIRE METRIC OR NET TONS. ALS EMBASSY
REQUESTED OBTAIN WHATEVER INFORMATION MAY BE AVAILABLE
IN SEOUL ON AMOUNT SCRAP JAPANESE TRADING COMPANIES HAVE
ORDERED FOR SHIPMENT TO KOREA DURING SECOND HALF 1973.
(WE ALSO TRYING OBTAIN THIS INFORMATION VIA EMBASSY TOKYO.)
RUSH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE140084
Document Source: CORE
Document Unique ID: 00
Drafter: WPOLIK:RDM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730728/aaaaaueh.tel
Line Count: 126
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 A. STATE 135099
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 13 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Nov-2001 by willialc>; APPROVED <30-Nov-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US FERROUS SCRAP EXPORTS
TAGS: EIND, ETRD, KS
To: SEOUL
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005